

LIVESTOCK PRODUCTION COSTS

HOG PRODUCTION COSTS AND RETURNS HEARTLAND REGION 1/, 2003

Item	All Hogs	Farrow to Finish	Farrow to Feeder Pig <u>2/</u>	Feeder Pig to Finish
Dollars per Cwt Gain <u>3/</u>				
Gross Value of Production:				
Market Hogs	36.29	35.62	1.78	43.59
Feeder Pigs	10.16	0.72	102.91	0.15
Cull Stock	0.99	1.74	2.53	0.01
Breeding Stock	0.44	0.15	0.17	0.01
Inventory Change	0.00	0.06	-4.57	1.04
Other Income <u>4/</u>	1.72	1.63	1.39	1.87
Total, Gross Value of Production	49.60	39.92	104.21	46.67
Operating Costs:				
Feed--				
Grain	7.65	9.77	1.96	6.10
Protein Sources	6.64	9.40	0.92	4.11
Complete Mixes	8.27	4.96	26.98	9.46
Other Feed Items <u>5/</u>	0.22	0.37	0.24	0.08
Total, Feed Costs	22.78	24.50	30.10	19.75
Other--				
Feeder Pigs	12.61	0.07	0.59	27.28
Veterinary and Medicine	1.21	1.66	2.77	0.55
Bedding and Litter	0.04	0.04	0.06	0.02
Marketing	0.66	0.35	3.83	0.57
Custom Services	0.33	0.28	0.29	0.41
Fuel, Lube, and Electricity	1.58	1.69	4.08	1.00
Repairs	0.91	1.28	1.15	0.42
Other Operating Costs <u>6/</u>	0.04	0.03	0.04	0.03
Interest on Operating Capital	0.21	0.16	0.23	0.26
Total, Operating Costs	40.37	30.06	43.14	50.29
Allocated Overhead:				
Hired Labor	2.80	3.18	14.06	0.49
Opportunity Cost of Unpaid Labor	5.72	7.44	7.59	3.35
Capital Recovery of Machinery and Equipment	10.99	11.82	28.04	6.88
Opportunity cost of Land (rental rate)	0.05	0.06	0.07	0.02
Taxes and Insurance	0.49	0.54	0.94	0.37
General Farm Overhead	1.05	1.16	1.61	0.80
Total, Allocated Overhead	21.10	24.20	52.31	11.91
Total Costs Listed	61.47	54.26	95.45	62.20
Value of Production Less Total Costs Listed	-11.87	-14.34	8.76	-15.53
Value of Production Less Operating Costs	9.23	9.86	61.07	-3.62
Supporting Information:				
Production Arrangement (percent of farms)				
Independent	70	99	22	47
Under Contract	30	1	78	53
Size of Operation (head sold/removed)				
Market Hogs	1,924	1,712	76	2,770
Feeder Pigs	1,112	56	10,125	13

1/ Heartland Region includes: Illinois, Indiana, Iowa, Western Kentucky, Southern and Western Minnesota, North and Central Missouri, Northeastern Nebraska, Western Ohio, and Southeastern North Dakota.

2/ Data published is for the United States, data for Heartland Region not available.

3/ Cwt. gain = (cwt. sold - cwt. purchased) + cwt. inventory change.

4/ Value of manure production.

5/ Milk replacer, milk, milk by-products, antibiotics, and other medicated additives.

6/ Costs for odor control and fees, permits, licenses, and other regulatory costs.

Source: Economic Research Service